

**AIRLINE SUPPORT FACILITIES LEASE
GROUND SERVICE EQUIPMENT SHOP**

between

CITY AND COUNTY OF DENVER

and

SKYWEST AIRLINES, INC

at

DENVER INTERNATIONAL AIRPORT

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AIRLINE SUPPORT FACILITIES LEASE

THIS AIRLINE SUPPORT FACILITIES LEASE (the "Lease"), made and entered into as of the date indicated on the signature page below (the "Effective Date"), by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado, acting for and on behalf of its Department of Aviation (the "CITY"), and **SKYWEST AIRLINES, INC.**, a corporation organized and existing under and by virtue of the laws of the State of Utah, and authorized to do business in the State of Colorado (the "AIRLINE"), and collectively (the "Parties");

WITNESSETH

WHEREAS, the City owns and operates Denver International Airport (the "Airport") and has the power to grant rights and privileges with respect thereto, as hereinafter provided; and

WHEREAS, the Airline is a certificated airline company in the business of providing scheduled air passenger service and transporting property, cargo and mail, or one or more thereof, to and from the Airport by aircraft; and

WHEREAS, the Airline and the City have entered into an Airport Use and Lease Agreement dated January 1, 2012, as amended (the "Airport Use Agreement") pursuant to which the Airline has certain rights to use the facilities designated therein at the Airport subject to certain obligations; and

WHEREAS, the Parties desire to enter into this Lease to allow the Airline to conduct ground support operations for its air carrier operations at the Airport, as more fully hereinafter set forth;

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, the City and the Airline do hereby mutually undertake, promise and agree, each for itself and its successors, as follows:

PART I LEASE AND USE OF DEMISED PREMISES

1.01 DEMISED PREMISES

The City, for and in consideration of the covenants and agreements hereinafter contained, hereby leases to the Airline and the Airline hereby agrees to lease from the City, subject to the conditions hereinafter expressed, that certain parcel of real property situated in the City and County of Denver, State of Colorado as depicted on **Exhibit A**, which is incorporated herein and made a part hereof by this reference (hereinafter referred to as the "Demised Premises"). The Demised Premises constitute non-residential real property. Except to the extent required for the performance of any of the obligations of the Airline hereunder, nothing contained in this Lease shall grant to the Airline any rights whatsoever in the air space above the Demised Premises except as approved by the City.

1.02 USE OF DEMISED PREMISES

The Airline shall be entitled to use the Demised Premises for the following purposes: operating a ground service equipment shop, facilities maintenance shop, administrative offices and other similar and related activities and for such other purposes as may be authorized in writing from time to time by the CEO, but for no other purpose or purposes. Said use of the Demised Premises shall not be deemed an exclusive right of use upon the Airport under the grant assurances.

1.03 PAYMENT OF FIXED AND VARIABLE RATES, FEES AND CHARGES

Rentals for the Demised Premises shall commence on the Effective Date and shall be due and payable, in advance, without notice, on or before the first day of each month of the Term.

The Airline agrees to pay rentals, rates, fees and charges established and fixed in accordance with cost-accounting concepts and ratemaking procedures established and adopted by the CEO and set forth on **Exhibit F**. These rentals, rates, fees and charges are subject to change each year pursuant to the terms of this Agreement.

In addition to the fixed rentals, rates, fees and charges provided herein, Airline shall pay for its proportionate share of the actual cost of common use facilities, equipment, services and maintenance utilized by Airline during its operations hereunder. Said common use rates, fees and charges shall be paid monthly, in advance, and adjusted, if necessary, every six (6) months, based upon the latest documented actual costs. An apportionment of the categories of actual cost for the facility is set forth on **Exhibit E**. Such fees shall not include any costs capital in nature.

The City further reserves the right during the term and any extensions hereof for its CEO, subject to the requirements of any outstanding bond ordinances pertaining to the Airport, to alter, modify and change the rental rates, fees and charges in accordance with a schedule of rental rates, fees and charges adopted or modified from time to time by the CEO; provided, however, that such adopted or modified schedules of rentals, rates, fees and charges must be reasonable in relation to the cost of providing, operating and maintaining the particular ground service equipment facilities and services furnished to the Airline.

1.04 PROJECTION OF RENTALS, RATES, FEES AND CHARGES

Not later than forty-five (45) days prior to the end of each fiscal year during the term of this Lease, City shall furnish Airline with a projection of the rentals, rates, fees and charges for the next ensuing fiscal year for each cost center of Airport. Such projection will include the Airport proposed expense budget and projection of aircraft operations, passenger enplanements, and debt service payments for the ensuing year. The City shall convene a meeting with the airlines operating at the Airport not later than thirty (30) days prior to the end of each fiscal year to consult and review with the airlines the projection of rentals, rates, fees and charges for the next ensuing fiscal year.

1.05 FINAL AUDIT AND RECONCILIATION

(A) Upon release by the City's independent auditors of the audited financial statements of the Airport, the City shall furnish Airline with a copy of the annual audit report, prepared in accordance with Generally Accepted Accounting Principles and certified by an independent

accountant, covering the operation of the Airport for such preceding fiscal year, (meaning, January 1 through December 31 of any year or such other fiscal year as City may adopt for the Airport).

(B) As soon as practical following the release of the annual audit report, the City will prepare an analysis of additional charges or credit due (Year-End Settlement) along with the Airline Revenue Credit calculation to Airline for the preceding audited fiscal year. If the rentals, rates, fees and charges paid by Airline were greater than the respective amounts chargeable to Airline, Airline shall receive credits promptly in the amount of such overpayment against future rentals, rates, fees and charges. If the rentals, rates, fees and charges paid by Airline were less than the respective amounts chargeable to Airline, Airline shall pay promptly the amount of any such deficiency.

PART II PROVISIONS RELATING TO DEMISED PREMISES

2.01 ACCEPTANCE AND INSPECTION OF THE DEMISED PREMISES

The Airline has been given the opportunity to inspect the Demised Premises. As of the Effective Date, subject to any representations, warranties, covenants, and obligations of the City set forth in this Lease, the Airline takes the Demised Premises as is, where is, and with all faults.

2.02 MAINTENANCE OF DEMISED PREMISES

(A) The Airline agrees to provide at its own expense all utilities, equipment, trash and janitorial services, and maintenance of the Demised Premises, including, but not limited to, snow removal, maintenance, repair, water; gas, electricity, light, heat, power and telephone service.

(B) The Airline shall be responsible for all maintenance and repair of the Demised Premises, as established by **Exhibit E**, except for repairs necessitated by the negligence or willful acts of the City, its employees, agents and contractors. Except for the requirements established by Exhibit E, the City shall be responsible for all capital repairs and replacements at its sole cost and expense.

(C) The Airline further agrees that it will at all times maintain its Demised Premises in a neat, clean, safe and orderly condition, in keeping with the general decor of the area in which they are situated.

2.03 ALTERATIONS TO DEMISED PREMISES

(A) The Airline may, with the prior written approval of the CEO, which shall not be unreasonably withheld, at its own cost and expense, install in the Demised Premises any fixture or improvement or do or make alterations or do remodeling, germane to the use herein or hereafter granted. Any fixtures, improvements, equipment and other property installed, erected or placed by the Airline in, on or about such Demised Premises shall be deemed to be personal and shall be and remain the property of the Airline, except as otherwise provided herein, and the Airline shall have the right at any time during the term hereof to remove any or all of its property, subject to the Airline's obligation to repair damage, if any, resulting from such removal. All such fixtures, improvements equipment and other property shall be removed from said Demised Premises by the expiration or earlier termination of the Lease. The Demised Premises must be restored to the condition existing at the time of the letting, reasonable wear and tear excepted, unless the City, Skywest Airlines, Inc.
GSE Building Lease,
Contract No. 201950586

acting by and through its CEO, shall have advised the Airline in writing at the time of such installation or not less than sixty (60) days in advance of such expiration or not less than thirty (30) days in advance of such earlier termination, of its willingness to accept title to such fixtures, improvements, equipment and other property in lieu of restoration of the Demised Premises. During such period and until such personal property is removed, Airline shall pay to the City the full rental applicable to those Demised Premises, as determined by the CEO, which are directly associated with said personal property and which Demised Premises are not usable by others until said personal property is removed.

(B) Said improvements, and all alterations thereof and additions thereto, shall in all respects be constructed in accordance with the ordinances and any applicable code or rule and regulation of the City and County of Denver, including the Airport Rules and Regulations and other requirements established by the City's "Tenant Development Guidelines" and the "Airline Requirements for Design, Tenant Development Guidelines", both of which are publicly available and incorporated herein by reference.

(C) The Airline agrees that it shall include in its contracts with its general contractors covenants that require the construction contractor and its subcontractors of any tier to pay all workers, mechanics and laborers according to rates and classifications established, now or in the future, under the federal Davis-Bacon Act and Section 20-76 of the Denver Revised Municipal Code ("D.R.M.C."), whichever is greater. The Airline further agrees, if requested by the City, to fully comply with the procedural requirements of Section 20-76 of the Denver Revised Municipal Code by requiring its general contractors and their subcontractors of any and all tiers to submit to the City true and correct copies of the payroll records of all workers, laborers and mechanics employed. Copies of all contractor applications for payment requests shall be provided to the City Auditor's Office.

(D) Alterations to the Demised Premises are subject to all applicable provisions of D.R.M.C. Chapter 28, and referred to in this Contract as the "M/WBE Ordinance". The Airline will work with the City's Office of Economic Development, Division of Economic Mobility, or successor in function, to ensure compliance with the M/WBE Ordinance. Failure to comply with these requirements may result, at the discretion of the Director of the Division of Small Business Opportunity ("DSBO"), in the imposition of sanctions against the Airline in accordance with Section 28-77, D.R.M.C.

2.04 SUBLETTING AND ASSIGNMENT

(A) No interests or rights under this Lease may be transferred except as provided under this Section 2.04. Airline may sublet, assign or otherwise transfer the Demised Premises, in whole or in part, to another company, subject to each of the following conditions:

- (i) No sublease, assignment, ground handling agreement or other transfer shall relieve Airline from primary liability for any of its obligations hereunder, without the City's consent, and Airline shall continue to remain primarily liable for the payment of rentals, fees and charges applicable to such premises and facilities hereunder unless the City releases Airline;
- (ii) Airline shall provide written notice to the City and a copy of the proposed sublease, assignment, ground handling agreement or other transfer not less than thirty (30) days prior to the effective date of such arrangement;

- (iii) Any sublease, assignment, ground handling agreement or other transfer shall be subject to the prior written approval of the CEO, such approval not to be unreasonably withheld, conditioned, or delayed; and
- (iv) No sublease, assignment or other transfer hereunder to any affiliate or subsidiary corporation of Airline shall be permitted without compliance with all of the conditions set forth in subparagraphs (i), (ii) and (iii) above.

2.05 RIGHT TO ENTER AND MAKE REPAIRS

(A) The City and its authorized officers, employees, agents, contractors, subcontractors and other representatives shall have the right (at such times as may be reasonable under the circumstances and with as little interruption to the Airline's operations as is reasonably practicable) to enter upon the Demised Premises for the following purposes:

- (i) To inspect the Demised Premises at reasonable intervals during regular business hours (or at any time in case of emergency) to determine whether the Airline has complied and is complying with the terms and conditions of this Lease with respect to the Demised Premises.
- (ii) To perform maintenance and make repairs and replacements in any case where the Airline is obligated to do so and has failed after reasonable notice to do so, in which event the Airline shall reimburse the City for the reasonable cost thereof promptly upon demand.
- (iii) To perform maintenance and make repairs and replacements in any case where the City is obligated to do so, and in any other case where the City, in its reasonable judgment, determines that it is necessary or desirable to do so in order to preserve the structural safety of the Demised Premises or the building in which they are located or to correct any condition likely to cause injuries or damages to persons or property.
- (iv) In the exercise of the City's lawful police power. No such entry by or on behalf of the City upon such Demised Premises leased to Airline shall cause or constitute a termination of the letting thereof or be deemed to constitute a trespass or an interference with the possession of the Demised Premises by the Airline.

2.06 ABANDONMENT OF DEMISED PREMISES

If the Airline ceases to occupy and use a material portion of the Demised Premises for a period of six (6) consecutive months or longer, the City, acting by and through its CEO, may consider such portion of the Demised Premises abandoned, and upon not less than thirty (30) days prior written notice to the Airline, may terminate the Lease for such portion of the Demised Premises.

2.07 DESTRUCTION OF PREMISES

If by reason of any cause, Airline's Demised Premises, or any portion thereof, are damaged or destroyed by fire, flood, or natural disaster (a "Casualty") then:

(A) The City, after consultation with Airline, shall forthwith repair, reconstruct and restore the damaged or destroyed portions of the Demised Premises to substantially the same condition, character, utility and value as existed prior to such damage or destruction, unless the City determines that no such reconstruction is reasonable or necessary, or that reconstruction to some other condition, character, utility and value is appropriate or desired; and

(B) If such Demised Premises are damaged to such an extent that the Demised Premises are untenable, the City, acting by and through the CEO, will make all reasonable efforts to provide substantially equivalent substitute premises, and such substitute premises will be made available to Airline, subject to Airline's approval, consistent with the rentals, rates, fees and charges for the use of the substitute premises at the Airport as established and modified from time to time by the City in accordance with this Lease.

(C) For the portions of the Demised Premises that are untenable, Airline shall receive a pro rata abatement of Rent applicable thereto from the date of such occurrence to the date upon which such portions of the Demised Premises are repaired and restored.

PART III GENERAL PROVISIONS

3.01 "CEO" DEFINED

As used in this Lease, the term "CEO" shall mean the Chief Executive Officer of the City's Department of Aviation or the CEO's successor in function having jurisdiction over the management, operation and control of the Airport.

3.02 CEO'S AUTHORIZED REPRESENTATIVE

Wherever reference is made herein to the "CEO's authorized representative", or words of similar import are used, such officer or employee of the City as shall be hereafter designated in writing by the CEO shall be such authorized representative of said CEO until notice otherwise is hereafter given to the Airline.

3.03 AGREEMENTS WITH THE UNITED STATES

This Lease is subject and subordinate to the provisions of any agreements between the City and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the transfer of federal rights or property to the City for airport purposes, or to the expenditure of federal funds for the extension, expansion or development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Airport and Airway Improvement Act of 1982, as amended. The Federal Appendices, which are attached hereto at **Appendices 1** and **2** are incorporated herein by this reference.

3.04 BOND ORDINANCE

Skywest Airlines, Inc.
GSE Building Lease,
Contract No. 201950586

(A) This Lease is in all respects subject and subordinate to any and all City bond ordinances applicable to the Airport and airport system and to any other bond ordinances which should amend, supplement or replace such bond ordinances.

(B) The parties to this Lease acknowledge and agree that all property subject to this Lease which was financed by the net proceeds of tax-exempt bonds is owned by the City, and Airline agrees not to take any action that would impair, or omit to take any action required to confirm, the treatment of such property as owned by the City for purposes of Section 142(b) of the Internal Revenue Code of 1986, as amended. In particular, the Airline agrees to make, and hereby makes, an irrevocable election (binding on itself and all successors in interest under this Lease) not to claim depreciation or an investment credit with respect to any property subject to this Lease which was financed by the net proceeds of tax-exempt bonds and shall execute such forms and take such other action as the City may request in order to implement such election.

3.05 LAWS, REGULATIONS AND AGREEMENTS TO BE OBSERVED

(A) The Airline shall not use or permit the use of the Demised Premises, or any other portion thereof, or any part of the Airport to which it is granted a right of use or occupancy by this Lease, for any purpose or use other than those authorized by this Lease, or hereafter authorized in writing by the CEO. No use shall be considered authorized by this Lease if such use would adversely affect the tax exempt status of Airport Revenue Bonds.

(B) The Airline shall comply with and shall cause its officers and employees and any other persons over whom it has control to comply with such reasonable rules and regulations governing the use of the Demised Premises and any other portion of the Airport as may from time to time be adopted and promulgated by the City for the management, operation and control of the Airport, including those pertaining to the operation of automobile and vehicular traffic and parking facilities thereon, and with such reasonable amendments, revisions, additions and extensions thereof as may from time to time be adopted and promulgated; provided, however, such rules and regulations shall not be inconsistent with the rights herein granted to the Airline; provided, further, that nothing herein shall be considered to restrict the police power of the City. Specifically, as the rules and regulations relate to environmental matters, the rules and regulations shall not call for standards, actions, or remediation in excess of what is required by environmental laws. Copies of the rules and regulations, as adopted by the City, shall be forwarded to the Airline's local manager. The City shall not unjustly discriminate against Airline in the enforcement of its rules and regulations.

(C) The Airline shall, at all times, faithfully obey and comply with all existing and future laws, rules and regulations adopted by federal, state, local or other governmental bodies and applicable to or affecting the Airline and its operations and activities in and at the Airport, including using the Airfield Area in accordance with the Federal Aviation Administration's (FAA) flight tracks and other restrictions and limitations regarding noise emanating from departing aircraft from the Airport, as set forth in the Final Environmental Impact Statement for the New Denver Airport.

(D) It is agreed and understood by the parties hereto that disputes arising under or related to this Lease shall be resolved by administrative hearing which shall be conducted in accordance with the procedures set forth in D.R.M.C. Section 5-17. The parties hereto agree that the CEO's determination resulting from said administrative hearing shall be final, subject only to Airline's right to appeal the determination under Colorado Rule of Civil Procedure 106.

(E) The City represents that, to the best of its knowledge, with no duty to investigate, the Premises are in full compliance with all applicable environmental laws, rules, requirements, orders, directives, ordinances and regulations of the United States of America or the State of Colorado and the City and County of Denver or any other lawful authority having jurisdiction over or affecting the Premises.

(F) The City represents and the Airline acknowledges that the Premises and any common use areas comply with all applicable laws, regulations and building codes governing non-discrimination in public accommodations and commercial facilities, and that the Premises shall remain in compliance with such laws, regulations and building codes throughout the term of this Lease and any extensions thereto.

PART IV TERM OF THE LEASE

4.01 TERM OF LEASE

The term of this Lease shall commence on September 1, 2019 (the "Effective Date") and shall terminate on August 31, 2024, unless this Lease is earlier canceled or terminated as hereinafter provided.

4.02 TERMINATION OF LEASE BY CITY

(A) The City, acting by and through its CEO, may declare this Lease terminated in part or in its entirety, as the CEO deems appropriate, upon the happening of one or more of the following events and may exercise all rights of entry and reentry with or without process of law, without liability for trespass upon the Demised Premises:

- (i) If the Rent or other required money payment which the Airline herein agrees to pay, or any part thereof, shall be unpaid after the date the same shall become due; or
- (ii) If the Airline uses or permits the use of the Demised Premises at any time for any purpose not authorized by this Lease or by the subsequent written consent of the CEO, or uses or permits the use of the Demised Premises in violation of any law, rule or regulation applicable to the Demised Premises; or
- (iii) If the Airline violates any provision of this Lease; or
- (iv) If, during the term of this Lease, the Airline shall (a) apply for or consent to, in writing signed on behalf of the Airline by any of its officers or its duly authorized attorney, the appointment of a receiver, trustee or liquidator of the Airline or of all or a substantial part of its assets, (b) file a voluntary petition in bankruptcy, or admit in writing its inability to pay its debts as they come due, (c) make a general transfer for the benefit of creditors, (d) file a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of an insolvency law, or (e) file an answer admitting the material allegations of a petition filed against the Airline in any bankruptcy, reorganization or insolvency proceeding, or if during the term of this Lease an order, judgment or decree shall be entered by any court of competent

jurisdiction, on the application of a creditor, adjudicating the Airline as bankrupt or insolvent, or approving a petition seeking a reorganization of the Airline or of all or a substantial part of its assets, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days, then, and in any of such events, the City may give to the Airline a notice of intention to end the term of this Lease in its entirety after the expiration of thirty (30) days from the date of service of such notice, and on the date set forth in said notice the term of this Lease and all right, title and interest of the Airline hereunder shall expire as fully and completely as if that day were the date herein specifically fixed for the expiration of the term, and the Airline will then voluntarily and peaceably quit and surrender the Demised Premises covered hereby to the City, but the Airline shall remain liable as herein provided.

4.03 TERMINATION OF LEASE BY AIRLINE

(A) The Airline, at its option, may declare this Lease terminated in part or in its entirety upon the happening of any one or more of the following events:

- (i) If by reason of any action or non-action of any federal or other governmental agency having jurisdiction to grant a certificate of convenience and necessity, or similar document, authorizing the Airline to operate aircraft in or out of the Airport (including action in the nature of alteration, amendment, modification, suspension, cancellation or revocation of any such certificate, permit or document), the Airline shall cease to have authority to operate aircraft in or out of the Airport pursuant to such a certificate or document, provided that (1) such governmental action or non-action was not requested by the Airline, and the Airline made all reasonable efforts to prevent such governmental action or non-action, or in the alternate, (2) the City had a reasonable opportunity to appear before such federal or other governmental agency and be heard in opposition to such governmental action or non-action prior to the occurrence, if it desired to do so or, in the alternate, (3) the Airline gave the City reasonable advance notice that such governmental action or non-action was being requested or might occur, and the Airline made a reasonable effort to the end that the City might have an opportunity to appear and be heard as aforesaid; or
- (ii) If by legislative action of the United States the Airline is deprived of such certificate or similar document; or
- (iii) If a court of competent jurisdiction issues an injunction or restraining order against the City or any successor body to the City preventing or restraining the Airport for airport purposes in its entirety, or the use of any part thereof which may be used by the Airline and which is substantially necessary to the Airline for its operations, and if such injunction remains in force for a period of ninety (90) days or more and is not stayed by appeal or a writ of error; or
- (iv) If the City's operation of the Airport is substantially restricted by action of any federal or other governmental agency having jurisdiction with respect thereto, or the occurrence of any fire or other casualty, substantially and adversely affects, for a

period of at least ninety (90) days, Airline's use of the Airport in the conduct of its air transportation business; provided, however, that none of the foregoing is due primarily to any fault of Airline; or

- (v) If the Demised Premises are damaged or destroyed by fire or other casualty as set forth in Part II herein, and the City and Airline mutually agree that such destruction of the premises is beyond repair and that substantially equivalent substitute premises and facilities are not available.
- (vi) If Airline elects to terminate this Lease in accordance with Section 4.01 hereof.
- (vii) In addition to any other right or remedy at law or equity, if the City breaches the Lease.

4.04 EFFECTIVE DATE OF TERMINATION

Notwithstanding anything to the contrary in this Lease, no termination declared by either party shall be effective until not less than thirty (30) days have elapsed after written notice to the other specifying the date upon which such termination shall take effect and the cause for which it is being terminated (and if such termination is by reason of a default under this Lease, specifying such default with reasonable certainty). No such termination shall be effective if such cause shall have been cured or obviated during such thirty (30) day period, or in the event such cause is, by its nature, unable to be cured within such thirty (30) day period, such termination shall not be effective if the party in default commences to correct such default within said thirty (30) days and corrects the same as promptly as reasonably practicable; provided that the thirty (30) day period shall not apply to termination declared for failure of the Airline to make money payments hereunder, for which termination may be declared by the City upon fifteen (15) days' written notice, unless Airline makes the required payments in full within such fifteen (15) day period; and provided further that the Airline will be allowed only two (2) curable notices of default with respect to money payments in any one year. Upon termination of this Lease, the parties hereto shall be relieved from all obligations hereunder except as set forth in Sections 4.05, 4.06, 5.02, 7.07, and 7.13. The right of either party hereto to terminate this Lease shall not in any manner affect or limit such party's right to exercise any other right or remedy it may have rather than its right of termination.

4.05 SURRENDER AND HOLDING OVER

(A) The Airline covenants that at the expiration or early termination of this Lease, it will quit and surrender the Demised Premises in good state and condition, reasonable wear and tear, acts of God or Casualty excepted, and except as otherwise provided in Part II, the Airline shall forthwith remove therefrom all equipment, trade fixtures and personal property belonging to it. The City shall have the right on such termination to enter upon and take possession of the Demised Premises with or without process of law, without liability for trespass.

(B) Should the Airline hold over the use of or continue to occupy any portion of such Demised Premises after the expiration of the Lease, such holding over shall be deemed merely a tenancy from month to month. Rent for each month of such holding over shall be paid as provided herein and in a sum equal to the monthly Rent required for the month prior to the end of the term

hereof or as reestablished as provided for herein. All conditions as herein or hereafter provided shall remain the same, except for term.

4.06 TERMINATION OF HOLDOVER

If the Airline holds over pursuant to Section 4.05 hereof, either party may, with or without cause, cancel or terminate the holdover tenancy by giving not less than thirty (30) days prior written notice to the other party. Said notice shall set out the date of such cancellation and termination.

PART V PERFORMANCE BOND, INDEMNIFICATION AND INSURANCE

5.01 PERFORMANCE BOND

(A) Except as otherwise provided by Airport Rules and Regulations, as they may be adopted or amended from time to time, upon execution of this Lease, the Airline shall deliver to the CEO, and shall maintain in effect at all times during the term of this Lease, and for a period of six (6) months after the expiration or earlier termination of the Lease, a valid corporate Performance Bond, or an irrevocable Letter of Credit, in an amount equal to three (3) months Rent, payable without condition to the City, with surety acceptable to and approved by the CEO, which bond or irrevocable letter of credit shall guarantee to the City full and faithful performance of all of the terms and provisions of this Lease to be performed by the Airline, and as said Lease may be amended, supplemented or extended.

(B) Alternatively, the Airline may modify the Airport Use Agreement letter of credit or performance bond to include this Lease, deliver the same to the CEO upon the commencement of this Lease and maintain the modified Airport Use Agreement letter of credit or performance bond at all times during this Lease, and for a period of six (6) months after expiration or earlier termination of the Lease.

(C) Notwithstanding the foregoing, if at any time during the term hereof, the CEO reasonably deems the amount of the surety insufficient to properly protect the City from loss hereunder, the Airline agrees that it will, after receipt of thirty (30) days written notice, increase the surety to the amount required by the CEO; provided however, the percentage increase in the amount of surety shall not exceed the annual percentage increase that has occurred with respect to the Airline's Rent under this Lease.

5.02 INDEMNIFICATION

(A) The Airline agrees to indemnify and save harmless the City, its officers, agents and employees, from and against (A) any and all loss of or damage to property, or injuries to, or death of, any person or persons, including property and officers, employees and agents of the City; and (B) all claims, damages, suits, costs, expense, penalties, liability, actions or proceedings of any kind or nature whatsoever, of or by anyone whomsoever, which, with respect to clauses (A) and (B) hereof, in any way result from, or arise out of, Airline's operations in connection herewith, or its use or occupancy of any portion of the Airport and the acts, omissions, or wrongful conduct of officers, employees, agents, contractors or subcontractors of the Airline, including without limitation, the provision or failure to provide security as herein required and the use, disposal, generation, transportation or release of pollutants, including but not limited to oil, glycol, toxic or

hazardous materials at the Airport by the Airline, its contractors, employees, agents, customers, or anyone claiming or acting by or through the Airline.

(B) Airline further agrees that if a prohibited incursion into the Air Operations Area occurs, or the safety or security of the Air Operations Area, the airfield, or other sterile area safety or security is breached by or due to the negligence or willful act or omission of any of Airline's employees, agents, or contractors and such incursion or breach results in a civil penalty action being brought against the City by the U.S. Government, Airline agrees to reimburse the City for all expenses, including attorney fees, incurred by the City in defending against the civil penalty action and for any civil penalty or settlement amount paid by the City as a result of such incursion or breach of airfield or sterile area security. The City shall notify Airline of any allegation, investigation, or proposed or actual civil penalty sought by the U.S. Government for such incursion or breach. Civil penalties and settlement and associated expenses reimbursable under this Paragraph include but are not limited to those paid or incurred as a result of violation of Transportation Security Administration (TSA) regulations, including 49 CFR, Subtitle B, Chapter XII, as it may be amended, or any similar law or regulations intended to replace or compliment such regulations.

(C) Without limitation, the terms of this indemnity include an agreement by Airline to indemnify, defend and hold harmless the City from and against any and all expense, loss, claim, damage, or liability suffered by City by reason of Airline's breach of any environmental requirement existing under federal, state or local law, regulation, order or other legal requirement in connection with any of Airline's acts, omissions, operations or uses of property relating to this Lease, or such a breach by the act or omission of any of Airline's officers, employees, agents, or invitees, whether direct or indirect, or foreseen or unforeseen, including (but not limited to) all cleanup and remedial costs actually and reasonably incurred to satisfy any applicable remediation obligation required by federal, state or local law; and reasonable legal fees and costs incurred by City in connection with enforcement of this provision, but excluding damages solely relating to diminution in value of City real property.

(D) Provided however, the City agrees that (I) the Airline need not save harmless or indemnify the City against damage to or loss of property, or injury to or death of persons, caused by the negligence or willful acts of the City, its officers, employees, contractors and agents, and (II) the City will give prompt written notice to the Airline of any claim or suit and the Airline shall have the right to assume the defense and compromise or settle the same to the extent of its own interest. Provided, however, the indemnity provided for herein shall apply only to the extent the City is not reimbursed out of insurance proceeds.

5.03 INSURANCE

(A) The Airline shall obtain and keep in force during the entire term of this Lease, insurance policies as described in the City's form of insurance certificate attached to this Lease as **Exhibit C** and incorporated herein unless otherwise provided for in the Companion Agreement. The certificate specifies the minimum insurance requirements the Airline and sub lessees must meet under this Lease. Such amounts may be adjusted by the CEO in his sole discretion at any time during the term of this Lease. The original of such certificate shall be executed by the authorized party as specified on the certificate.

(B) Prior to the Effective Date, the Airline shall submit to the Airport Property Management Office a fully completed and executed original of the insurance certificate form, which specifies the issuing company or companies, policy numbers and policy periods for each required coverage. In addition to the completed and executed certificate, the Airline shall submit a copy of a letter from each company issuing a policy identified on the certificate, confirming the authority of the broker or agent to bind the issuing company. The Airline shall deliver to the Airport Property Office a certificate evidencing the renewal of all policies, at least ten days prior to each policy's expiration date.

(C) The City's acceptance of any submitted insurance certificate is subject to the approval of the City's Risk Management Administrator. All coverage requirements specified in the certificate shall be enforced unless waived or otherwise modified in writing by the City's Risk Management Administrator.

(D) The Airline shall comply with all conditions and requirements set forth in the insurance certificate for each required coverage during all periods in which coverage is in effect.

(E) Unless specifically excepted in writing by the City's Risk Management Administrator, the Airline shall include all subcontractors performing services hereunder as insureds under each required policy or shall furnish a separate certificate (on the form certificate provided), with authorization letter(s) and receipts of payment of premium, for each sub lessees. All coverages for subcontractors shall be subject to all of the requirements set forth in the form certificate and the Airline shall insure that each sub lessees complies with all of the coverage requirements.

(F) The parties hereto understand and agree that the City and County of Denver, its officers, officials and employees, are relying on, and do not waive or intend to waive by any provisions of this Lease, the monetary limitations or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101 to 120, C.R.S., or otherwise available to the City and County of Denver, its officers, officials and employees. The CEO may increase the limit of insurance required when, in the CEO's discretion, she deems the amount stated herein is insufficient.

5.04 LIENS

(A) Except to the extent inconsistent with other provisions of this Lease, the Airline covenants and agrees to pay promptly all lawful taxes, excises, license fees and permit fees applicable to its operations at the Airport and to take out and keep current all licenses, municipal, state or federal, required for the conduct of its business at and upon said Airport, and further agrees not to permit any of said taxes, excises or license fees to become delinquent. The Airline further covenants and agrees at all times to maintain adequate Worker's Compensation Insurance in accordance with any present or future Colorado law with an authorized insurance company, or through the Colorado State Compensation Insurance Fund, or through an authorized self-insurance plan approved by the State of Colorado insuring the payment of compensation to all its employees. The Airline also covenants and agrees not to permit any mechanic's or materialman's or any other lien to be foreclosed upon the Airport and improvements thereto or thereon, or any part or parcel thereof, by reason of any work or labor performed or materials furnished at the request of the Airline by any mechanic or materialman. The Airline further covenants and agrees to pay promptly when due all bills, debts and obligations incurred by it in connection with its operation of said business on the Airport, and not to permit the same to become delinquent and to

suffer no lien, mortgage, judgment or execution to be filed against said premises or improvements thereon which will in any way impair the rights of the City under this Lease. The Airline shall have the right on giving the City prior written notice to contest any such mechanic's, materialman's or any other lien, and the Airline shall not, pending the termination of such contest, be obligated to pay, remove or otherwise discharge such lien or claim. The Airline agrees to indemnify and save harmless the City from any loss as a result of the Airline's action as aforesaid.

(B) If the Airline shall in good faith proceed to contest any such tax, assessment or other public charge, or the validity thereof, by proper legal proceedings which shall operate to prevent the collection thereof or to prevent the appointment of a receiver because of nonpayment of any such taxes, assessments or other public charges, the Airline shall not be required to pay, discharge or remove any such tax, assessment or other public charge so long as such proceeding is pending and not disposed of; provided, however, that the Airline, not less than five (5) days before any such tax, assessment or charge shall become delinquent, shall give notice to the City of the Airline's intention to contest its validity. If such notice is so given by the Airline to the City and such contest is conducted in good faith by the Airline, the City shall not, pending the termination of such legal proceedings, pay, remove or discharge such tax, assessment or other charge.

5.05 LOSS OR DAMAGE TO PROPERTY

The City shall not be liable for any loss of property by theft or burglary from the Demised Premises or for any damage to person or property on said Demised Premises resulting from (i) airport operations including but not limited to operating the elevators or electric lighting, (ii) wind, water, rain or snow, which may come into or issue or flow from any part of the Demised Premises, or (iii) from the pipes, plumbing, wiring, gas or sprinklers thereof or (iv) any other cause whatsoever, and the Airline hereby covenants and agrees to make no claim for any such loss or damage at any time.

5.06 FORCE MAJEURE

Neither the City nor the Airline shall be deemed to be in breach of this Lease by reason of failure to perform any of its obligations under this Lease if, while, and to the extent that such failure is due to embargoes, shortages of materials, acts of God, acts of the public enemy, acts of superior governmental authority, sabotage, strikes, boycotts, labor disputes, weather conditions, riots, rebellion and any circumstances for which it is not responsible and which are not within its reasonable control. This provision shall not apply to failures by the Airline to pay Rent, or to make any other money payment required by this Lease, except in those cases where provision is made in this Lease for the abatement of such Rent or payments under such circumstances.

PART VI QUIET ENJOYMENT; INCONVENIENCES DURING CONSTRUCTION

6.01 COVENANT OF QUIET ENJOYMENT

Upon the payment by Airline of all Rent and other required payments assessed to Airline and the performance of the covenants and agreements on the part of Airline to be performed hereunder, Airline shall peacefully have and enjoy the premises, appurtenances, facilities, licenses and privileges granted herein; provided, however, it is recognized that certain temporary inconveniences may occur during construction at the Airport.

Skywest Airlines, Inc.
GSE Building Lease,
Contract No. 201950586

6.02 INCONVENIENCES DURING CONSTRUCTION

The Airline recognizes that from time to time during the term of this Lease it will be necessary for the City to initiate and carry forward extensive programs of construction, reconstruction, expansion, relocation, maintenance and repair in order that the Airport and its facilities may be suitable for the volume and character of air traffic and flight activity which will require accommodation, and that such construction, reconstruction, expansion, relocation, maintenance and repair may inconvenience the Airline in its operations at the Airport. The Airline agrees that no liability shall attach to the City, its officers, agents, employees, contractors, subcontractors and representatives by reason of minor inconvenience or minor discomfort as a result of such action and, for and in further consideration of the lease of the Demised Premises, the Airline waives any right to claim damages or other consideration for such minor inconvenience or minor discomfort.

PART VII MISCELLANEOUS PROVISIONS

7.01 LEASE BINDING

This Lease shall be binding on and extend to any successors of the respective parties hereto.

7.02 PARAGRAPH HEADINGS AND INDEX

The paragraph or Section headings and index or table of contents contained herein are for convenience and reference only and are not intended to define or limit the scope of any provision of this Lease.

7.03 SIGNS

The Airline agrees that no signs or advertising displays shall be painted on or erected in any manner upon its Demised Premises without the prior written approval of the CEO or the CEO's authorized representative; and that signs identifying the Airline will conform to reasonable standards established by the CEO, or the CEO's authorized representative, with respect to type, size, design, location and content.

7.04 VENDING MACHINES

No telecommunication devices, personal computers, amusement or vending machines or other machines operated by coins or tokens, cards, paper currency, or any imaging or voice process, and no cash machines or pay telephones shall be installed or maintained in or upon the Airline's Demised Premises except with the permission of the Airline and the CEO and the number, type, kind and locations thereof shall be in the discretion of the CEO and the Airline. This prohibition includes, but not by way of limitation, sales from vending machines of such items as cigarettes, candy, maps, coffee, soft drinks, newspapers, stamps and insurance policies; telephones; dispensation of cash, money orders and checks; and operation of mechanical or Skywest Airlines, Inc.
GSE Building Lease,
Contract No. 201950586

electronic game devices, electronic video games, entertainment devices, phone cards and internet access. The Airline shall not permit the installation of any such machines, except by a concessionaire authorized by the CEO and subject to and in accordance with the concessionaire's agreement with the City. If and when the Airline permits the installation of vending machines in its Demised Premises, the Airline shall make no charge to the concessionaire for the privilege of installing or maintaining such machines, except that if the Airline provides the electric current or water to the concessionaire a reasonable charge may be made to cover the cost of the electricity and water consumed, and all fees paid by the concessionaire for the privilege shall be the property of the City.

7.05 PURCHASES BY AIRLINE

Property, services and materials (except as otherwise provided in this Lease) may be purchased or otherwise obtained by the Airline from any person or corporation of its choice and no unjust, or unreasonable discriminatory limitations, restrictions, charges or conditions shall be imposed by the City, directly or indirectly, against the Airline or its suppliers for the privilege of purchasing, selling, using, storing, withdrawing, handling, consuming, loading, unloading or delivering any personal property of the Airline, by the Airline or its suppliers, or for the privilege of transporting such personal property to, from or on the Airport.

7.06 NON-DISCRIMINATION

(A) The Airline, for itself, its successors and assigns, as a part of the consideration hereof, does hereby agree as follows:

- (i) As more fully set forth in **Appendices 1 and 2** attached hereto and incorporated herein by reference, if facilities are constructed, maintained or otherwise operated on the Demised Premises for purposes in which federal financial assistance is extended under a Department of Transportation program or activity, or for another purpose involving the provision of a similar service or benefit, the Airline shall maintain and operate such facilities and services in compliance with all requirements of 49 C.F.R. Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.
- (ii) The Airline will in all of its operations and activities in and at the Airport comply with all requirements of the Air Carrier Access Act, 49 U.S.C. § 41705, and regulations implementing such Act at 14 C.F.R. Part 382, and the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq. and all regulations implementing such Act.

7.07 NO PERSONAL LIABILITY

No director, officer or employee of either party shall be held personally liable under this Lease or because of its execution or attempted execution.

7.08 NOTICES

All notices required to be given to the City hereunder shall be in writing and shall be sent by certified mail, return receipt requested, addressed to:

Skywest Airlines, Inc.
GSE Building Lease,
Contract No. 201950586

CEO, Department of Aviation
Denver International Airport
AOB - 9th Floor
8500 Peña Boulevard
Denver, Colorado 80249-6340

and

Airport Affairs
Concourse A, Room 4385, 4th floor
Denver International Airport
8500 Pena Blvd.,
Denver, CO 80249-6340

all notices required to be given to the Airline hereunder shall be in writing and shall be sent by certified mail, return receipt requested, addressed to:

SkyWest Airlines, Inc.
444 South River Road
St. George, Utah 84790
Attn: Kelly Lane

provided that the parties or either of them, may designate in writing from time to time the addresses of substitute or supplementary persons in connection with said notices. The effective date of service of any such notice shall be the date such notice is mailed to the Airline or said CEO.

7.09 PLACE AND MANNER OF PAYMENTS

(A) In all cases where the Airline is required by this Lease to pay any rentals, fees or other charges or to make other payments to the City, such payments shall be due and payable without notice and shall be made at the office of the Airport Revenue Fund, Denver International Airport, P. O. Box 492065, Denver, Colorado 80249-2065 or at such other place in the City and County of Denver as the City may hereafter designate by notice in writing to the Airline, and shall be made in legal tender of the United States. Any check shall be received by the City subject to collection, and the Airline agrees to pay any bank charges for the collection of any such check.

(B) Any payment not made to the City or Airline when due shall accrue interest at the rate of 18% per annum commencing five (5) business days after such due date.

7.10 SEVERABILITY

In the event any covenant, condition or provision contained in this Lease is held by any court of competent jurisdiction to be invalid, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained if the invalidity of any such covenant, condition or provision does not materially prejudice either party hereto in its respective rights and obligations contained in the valid covenants, conditions or provisions in this Lease.

Skywest Airlines, Inc.
GSE Building Lease,
Contract No. 201950586

7.11 SECURITY

(A) It is understood and agreed by the Airline that in addition to the Airline's responsibilities to maintain the Demised Premises as provided herein, it shall take reasonable security precautions to maintain the Demised Premises in a manner as to keep them secure from unauthorized intrusion and shall with respect to any area of the premises opening to an air operations area of the Airport provide for an adequate security system designed to prevent unauthorized persons or vehicles from entering such air operations area. An "air operations area" is defined to mean any area of the Airport used or intended to be used for landing, takeoff or surface maneuvering of aircraft. An "adequate security system" is further defined as providing for security at a standard no less than required and set out in Transportation Security Administration (TSA) regulations, including 49 C.F.R., Subtitle B, Chapter XII, as it may be amended, or any similar law or regulations intended to replace or compliment such regulations.

(B) It is further understood and agreed by the Airline that at any time during the term hereof when requested in writing by the CEO, or her authorized representative, the Airline shall submit to the CEO the security plans that are to be used and are being used by the Airline on any or all of the Demised Premises.

7.12 WAIVERS

(A) No waiver of default by either party of any of the terms, covenants or conditions hereof to be performed, kept and observed by the Airline or the City shall be construed, or operate, as a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained to be performed, kept and observed by the Airline or the City.

(B) The subsequent acceptance of rent hereunder by the City shall not be deemed to be a waiver of any preceding breach by the Airline of any term, covenant or condition of this Lease other than the failure of the Airline to pay the particular rental so accepted, regardless of the City's knowledge of such preceding breach at the time of acceptance of such rent.

7.13 AIRLINE BOOKS AND RECORDS

The Airline agrees that the Auditor of the City or any of the Auditor's duly authorized representatives, until the expiration of three (3) years after the termination of this Lease, shall have the right, at any reasonable time and at its own expense, to have access to and the right to examine any books, documents, papers and records of the Airline pertinent to this Lease.

7.14 CITY SMOKING POLICY

The Airline and its officers, agents and employees shall cooperate and comply with the provisions of Denver Executive Order No. 99, or any successor executive order prohibiting smoking in all indoor buildings and facilities. Airline agrees that it will take reasonable actions to prohibit smoking by its employees and the public in the Demised Premises except in specially designated areas.

7.15 USE, POSSESSION OR SALE OF ALCOHOL OR DRUGS

The Airline and its officers, agents and employees shall cooperate and comply with the provisions of Denver Executive Order No. 94 and Attachment A thereto, or any successor executive order concerning the use, possession or sale of alcohol or drugs.

7.16 THIRD PARTIES

This Lease does not, and shall not be deemed or construed to, confer upon or grant to any third party or parties (excepting parties to whom the Airline may assign this Lease in accordance with Part II hereof, and excepting any successor to the City) any right to claim damages or to bring any suit, action or other proceeding against either the City or the Airline because of any breach hereof or because of any of the terms, covenants, agreements and conditions herein contained.

7.18 MASTER PLAN

Airline agrees that no liability shall attach to the City, its officers, agents and employees by reason of any efforts or action toward implementation of any present or future master layout plan for the Airport and waives any right to claim damages or other consideration arising therefrom.

7.19 CITY NON-DISCRIMINATION

In connection with the performance of work under this Lease, the Airline agrees not to fail or refuse to hire, nor to discharge, promote or demote, nor to otherwise discriminate in matters of compensation, terms, conditions or privileges of employment against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability; and the Airline further agrees to insert the foregoing provision in all subcontracts hereunder.

7.20 ENTIRE LEASE

The provisions contained in this Lease constitute the entire agreement and understanding between the parties with respect to the subject matter thereof, and that all representations made by any officer, agent or employee of the respective parties, unless included herein, are null and void and of no effect. This Lease cannot be changed or terminated orally. No alterations, amendments, changes or modification, unless expressly reserved to the CEO herein, shall be valid unless executed by an instrument in writing by both parties hereto with the same formality as this Lease.

7.21 SALE OF FOOD AND BEVERAGES

The Airline shall not sell, or permit the sale of food, food products or beverages (both alcoholic and non-alcoholic) upon the Demised Premises occupied by it except by a concessionaire to whom the City has granted the right to provide such services in said Demised Premises and except that, with respect to its Demised Premises, Airline may sell, or permit the sale of, such items on its own behalf or by a concessionaire selected by Airline. Airline agrees to pay the same rates, fees and charges that would be applicable to an Airport concessionaire with respect to the sale of such products.

7.22 CONDITION; FINAL APPROVAL

This Lease, which is expressly subject to, and shall not be or become effective or binding on the City until approved by Denver City Council and fully executed by all signatories of the City and a fully executed copy has been delivered to Airline, may be signed in two or more counterparts, each of which shall be deemed to be an original signature page of this Lease.

7.23 ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS

Airline consents to the use of electronic signatures by the City. The Lease, and any other documents requiring a signature hereunder, may be signed electronically by the City in the manner specified by the City. The parties agree not to deny the legal effect or enforceability of the Lease solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of the Lease in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

7.24 PAYMENT OF MINIMUM WAGE

Airline shall comply with, and agrees to be bound by, all requirements, conditions, and City determinations regarding the City's Minimum Wage Ordinance, Sections 20-82 through 20-84 D.R.M.C., including, but not limited to, the requirement that every covered worker shall be paid no less than the City Minimum Wage in accordance with the foregoing D.R.M.C. Sections. By executing this Lease, Airline expressly acknowledges that Airline is aware of the requirements of the City's Minimum Wage Ordinance and that any failure by Airline, or any other individual or entity acting subject to this Lease, to strictly comply with the foregoing D.R.M.C. Sections shall result in the penalties and other remedies authorized therein.

[SIGNATURE PAGES FOLLOW]

Contract Control Number: PLANE-201950586-00
Contractor Name: SKYWEST AIRLINES, INC.

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of:

SEAL

CITY AND COUNTY OF DENVER:

ATTEST:

By:

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

Attorney for the City and County of Denver

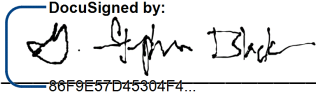
By:

By:

By:

Contract Control Number:
Contractor Name:

PLANE-201950586-00
SKYWEST AIRLINES, INC.

By:  _____
86F9E57D45304F4...

Name: G. Stephen Black
(please print)

Title: VP-Customer Service
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)

APPENDIX NO. 1

STANDARD FEDERAL ASSURANCES AND NONDISCRIMINATION

NOTE: As used below the term "contractor" shall mean and include the Airline, and the term "sponsor" shall mean the "City".

During the term of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. Compliance with Regulations. The contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination. The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, creed, color, sex, national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

3. Solicitations for Subcontractors, Including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

4. Information and Reports. The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the sponsor of the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance. In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the sponsor shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

a. Withholding of payments to the contractor under the contract until the contractor complies,
and/or

b. Cancellation, termination, or suspension of the contract, in whole or in part.

6. Incorporation of Provisions. The contractor shall include the provisions of paragraphs 1 through 5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the sponsor to enter into such

litigation to protect the interests of the sponsor and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

7. The Airline for itself, representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this agreement for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the Airline shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

8. The Airline for itself, representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land: (1) that no person on the grounds of race, color, sex, creed or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, sex, creed or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Airline shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

9. NONDISCRIMINATION IN AIRPORT EMPLOYMENT OPPORTUNITIES

The Airline assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance.

It is unlawful for airport operators and their lessees, tenants, concessionaires and contractors to discriminate against any person because of race, color, national origin, sex, creed, or handicap in public services and employment opportunities.

APPENDIX NO. 2

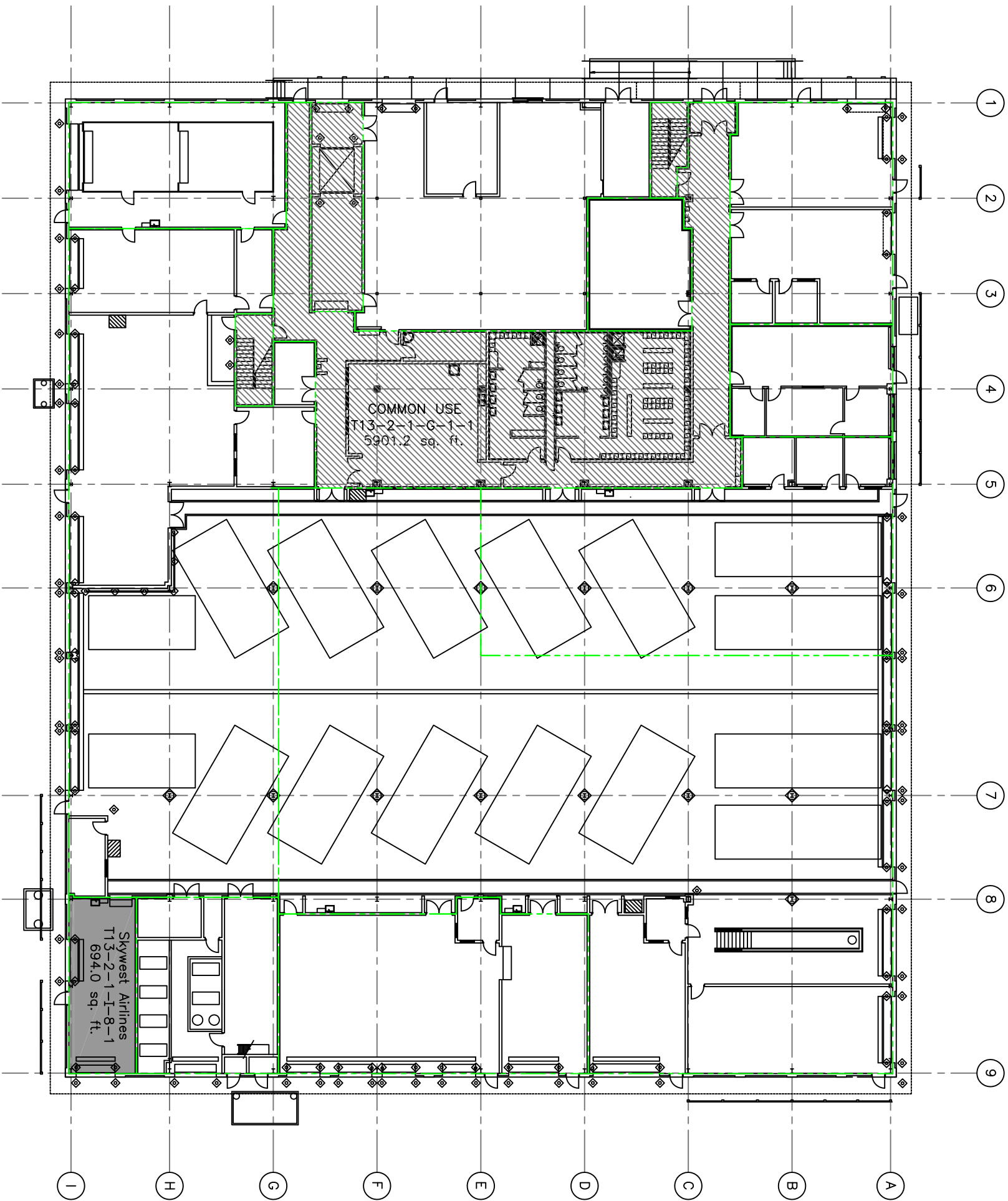
DISADVANTAGED BUSINESS ENTERPRISES - REQUIRED STATEMENTS

Policy. It is the policy of the Department of Transportation that disadvantaged business enterprises as defined in 49 CFR Part 26 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds under this agreement. Consequently, the DBE requirements of 49 CFR Part 26 apply to this agreement.

DBE Obligation. The City and its contractors agree to ensure that disadvantaged business enterprises as defined in 49 CFR Part 26 have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds provided under this agreement. In this regard, all recipients or contractors shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to ensure that disadvantaged business enterprises have the maximum opportunity to compete for and perform contracts. The City and its contractors shall not discriminate on the basis of race, color, sex, creed or national origin in the award and performance of DOT-assisted contracts.

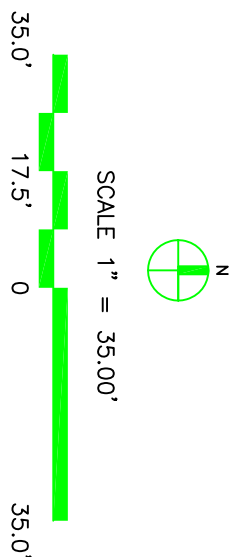
49 CFR 26.5 defines a DOT-assisted contract as “any contract between a recipient and a contractor (at any tier) funded in whole or in part with DOT financial assistance, including letters of credit or loan guarantees.” “Contractor” means one who participates through a contract or subcontract (at any tier) in a DOT-assisted highway, transit, or airport program.

Exhibit A

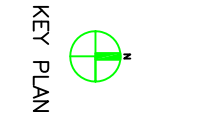
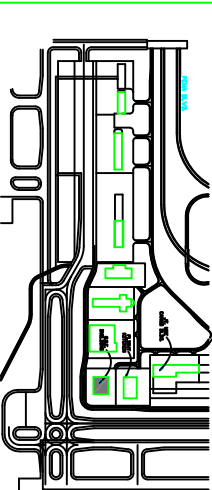


SkyWest's share of the common area is 2% or 118 sq. ft.

- CONC. WALL (BY CITY)
- STUD/GYPSUM WALL (BY CITY)
- GLASS WALL (BY CITY)
- TENANT LEASE LINE
- Ⓜ COLUMNS
- Ⓜ NIC = Not Included (In Lease or Sq. Ft. Calc.)



NOTE:
This exhibit depicts only approximate dimensions and square footage of leased area based upon planning data and is not intended to show dimensions for construction details.



REVISED	DENVER INTERNATIONAL AIRPORT
	EXHIBIT D
	GSE BUILDING
	Skywest Airlines
CC#: skyw	DATE: 06/12/19

DEN Property Management

EXHIBIT A - Paved Lot

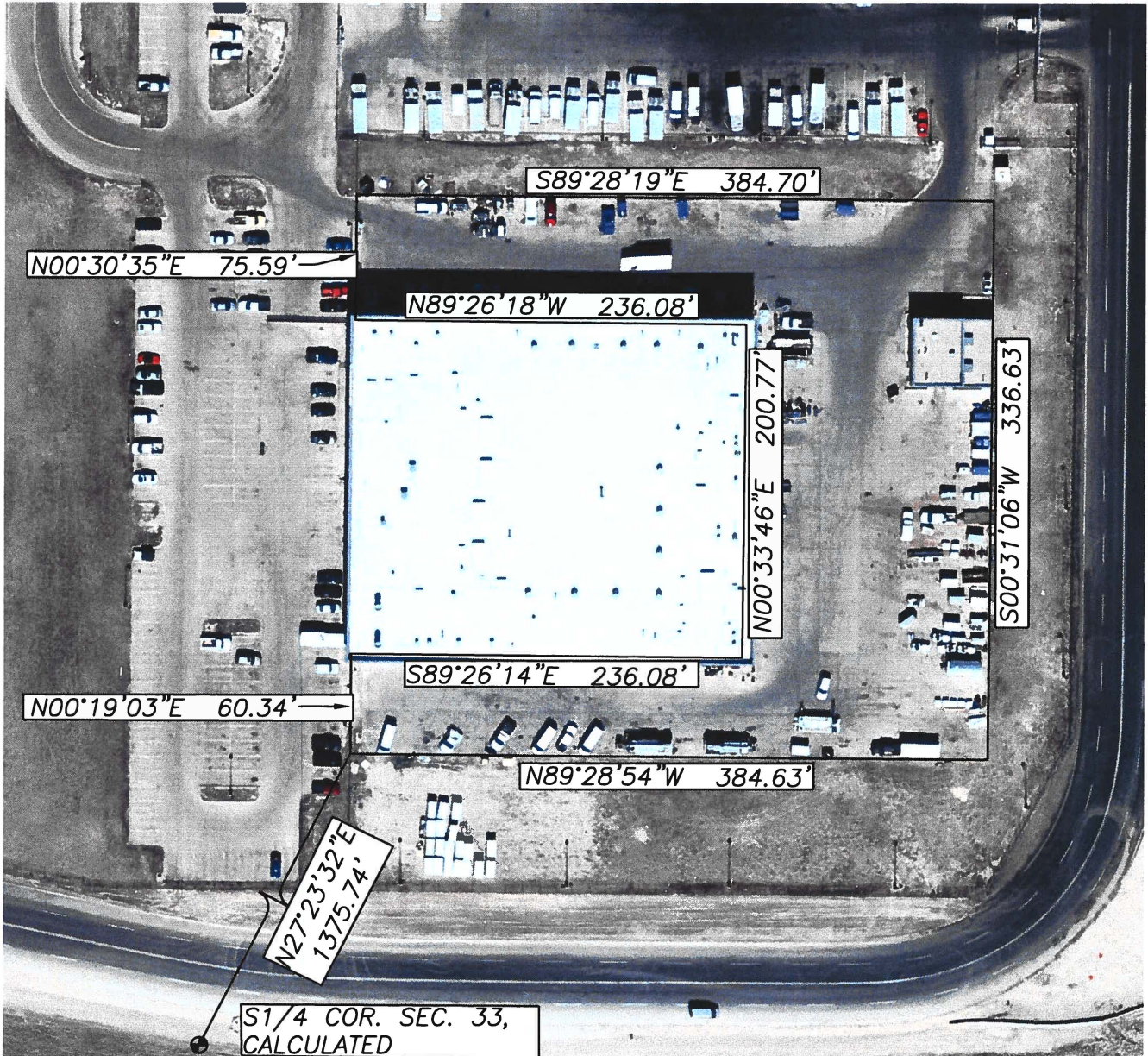
LEGEND

POB = POINT OF BEGINNING
 SQ FT = SQUARE FEET
 COR. = CORNER
 SEC. = SECTION



SCALE
 1" = 100'

AREA = 82,131 SQ FT
 or 1.88547 ACRES




SkyWest's share of the paved lot is .2% or 1,643 sq. ft.

I HEREBY CERTIFY THAT THIS EXHIBIT WAS PREPARED UNDER MY DIRECT SUPERVISION.

Jeremy P. Harris
 JEREMY P. HARRIS, PLS
 COLO. REGISTRATION NO. 38487

NOTE: THIS DOES NOT REPRESENT A MONUMENTED LAND SURVEY. NOR DOES IT REPRESENT A TITLE SURVEY BY THIS SURVEYOR. IT IS INTENDED ONLY TO DEPICT THE ATTACHED DESCRIPTION.

	CITY AND COUNTY OF DENVER DEPARTMENT OF AVIATION DENVER INTERNATIONAL AIRPORT																
REVISED <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">NO.</th> <th style="width: 10%;">DATE</th> <th style="width: 80%;">NAME</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	NO.	DATE	NAME										SKYWEST GSE LEASE AREA SITUATED IN S1/2 SEC 33, TOWNSHIP 2 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, STATE OF COLORADO.				
NO.	DATE	NAME															
REQUESTED BY: SUSAN E MOORE	DATE 06/13/19	SCALE 1"=100'	DRAWN BY: <u>JPH</u> FIELD BY: <u>YBB</u> CHECKED BY: <u>RTL</u>	SHEET NO. <u>1</u> OF <u>1</u> SHEETS	DRAWING NO. FLIGHT KITCHEN												

**CITY AND COUNTY OF DENVER
INSURANCE REQUIREMENTS FOR DEPARTMENT OF AVIATION
SUPPORT FACILITIES LEASE AGREEMENT
EXHIBIT C**

A. Certificate Holder

The certificate shall be issued to: CITY AND COUNTY OF DENVER
Denver International Airport
8500 Peña Boulevard, Suite 8810
Denver CO 80249
Attn: Risk Management

B. Acceptable Certificate of Insurance Form and Submission Instructions

Please read these requirements carefully to ensure proper documentation and receipt of your certificate(s) of insurance.

- ACORD FORM (or equivalent) must be emailed in pdf format to: contractadmininvoices@flydenver.com
- HARD COPIES of certificates and/or copies of insurance policies will not be accepted.
- ACORD FORM (or equivalent) must reference the DEN assigned Contract Number.

C. Coverages and Limits

1. Commercial General Liability:

Airline shall maintain insurance coverage including bodily injury, property damage, personal injury, advertising injury, and products and completed operations in minimum limits of \$1,000,000 each occurrence, \$2,000,000 products and completed operations aggregate and \$2,000,000 policy and project/location aggregate.

- a. Coverage shall include contractual liability covering liability assumed under this Agreement (including defense costs assumed under contract) within the scope of coverages provided.
- b. Such insurance shall include Mobile Equipment Liability in minimum limits of \$1,000,000 each occurrence.
- c. Such insurance shall include Fire Legal Liability in a minimum limit of \$100,000 each fire.

2. Business Automobile Liability:

Airline shall maintain a minimum limit of \$1,000,000 combined single limit each occurrence for bodily injury and property damage for all owned, leased, hired and/or non-owned vehicles used in performing services under this Agreement.

- a. If Airline does not have blanket coverage on all owned and operated vehicles, then a schedule of insured vehicles (including year, make, model and VIN number) must be submitted with the Certificate of Insurance.
- b. The policy must not contain an exclusion related to operations on airport premises.
- c. If transporting waste, hazardous material, or regulated substances, Airline shall carry a pollution coverage endorsement and an MCS 90 endorsement on its policy.
- d. If operating vehicles unescorted airside at DEN, a \$10,000,000 combined single limit each occurrence for bodily injury and property damage is required.
- e. If Airline is an individual or represents that Airline does not own any motor vehicles and Airline's owners, officers, directors, and employees use their personal vehicles for business purposes, Personal Automobile Liability insurance coverage will be accepted provided it includes a business use endorsement.

3. Workers' Compensation and Employer's Liability Insurance:

Airline shall maintain the coverage as required by statute for each work location and shall maintain Employer's Liability insurance with limits no less than \$100,000 per occurrence for each bodily injury claim, \$100,000 per occurrence for each bodily injury caused by disease claim, and \$500,000 aggregate for all bodily injuries caused by disease claims.

- a. Airline expressly represents to the City, as a material representation upon which the City is relying in entering into this Agreement, that none of the Airline's officers or employees who may be eligible under any statute or law to reject Workers' Compensation Insurance shall effect such rejection during any part of the term of this Agreement, and that any such rejections previously effected, have been revoked as of the date Airline executes this Agreement.
- b. If Airline is a sole proprietor, Workers' Compensation and Employer's Liability is exempt under the Colorado Workers' Compensation Act.

4. Airlines Pollution Liability:

Airline shall maintain insurance covering work site operations that are conducted on DEN premises including project management and site supervision duties with a limit no less than \$1,000,000 each occurrence and annual aggregate for claims arising out of a pollution condition or site environmental condition. Coverage shall include claims/losses for bodily injury, property damage including loss of use of damaged property, defense costs including costs and expenses incurred in the investigation, defense or settlement of claims, and cleanup cost for pollution conditions resulting from illicit abandonment, the discharge, dispersal, release, escape, migration or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including soil, silt, sedimentation, smoke, soot, vapors, fumes, acids, alkalis, chemicals, electromagnetic fields, hazardous substances, hazardous materials, waste materials, low level radioactive waste, mixed wastes, on, in, into, or upon land and structures thereupon, the atmosphere, surface water or groundwater on DEN premises.

Work site means a location where covered operations are being performed, including real property rented or leased from the City for the purpose of conducting covered operations.

5. Property Insurance:

Airline shall maintain all-risk form coverage on a replacement cost basis for personal property, improvements and betterments. If leased property is located in a flood or quake zone (including land subsidence), flood or quake insurance shall be provided separately or in the property policy. Business Interruption coverage shall be included with limits not less than the payments due to the City under the term of the agreement. The City shall be named Loss Payee as its interest may appear. The City shall maintain all-risk form coverage for the real property of the facility.

6. Installation Floater:

Airline shall provide coverage with a limit equal to the full insurable value of materials and equipment and be written on a Special Covered Cause of Loss Form including theft, faulty workmanship, mechanical or electrical damage during testing and labor costs to repair damaged work, and soft costs. The policy shall cover property while located at the project site, at temporary locations, or in transit; and name the City as the loss payee on the policy, as its interests may appear. Coverage shall remain in force until acceptance of the work by the City.

7. Excess/Umbrella Liability:

Combination of primary and excess coverage may be used to achieve minimum required coverage limits. Excess/Umbrella policy(ies) must follow form of the primary policies with which they are related to provide the minimum limits and be verified as such on any submitted Certificate of Insurance.

D. Reference to Project and/or Contract

The City Project and/or Contract Number and project description shall be noted on the Certificate of Insurance.

E. Additional Insured

For all coverages required under this Agreement (excluding Workers' Compensation and Professional Liability, if required), Airline's insurer(s) shall include the City and County of Denver, its elected and appointed officials, agents, employees and volunteers as Additional Insureds.

F. Waiver of Subrogation

For all coverages required under this Agreement, Airline's insurer(s) shall waive subrogation rights against the City and County of Denver, its elected and appointed officials, agents, employees and volunteers.

Airline agrees to obtain any endorsement necessary to affect this waiver of subrogation, however, this obligation will apply regardless of whether or not City has received a waiver of subrogation endorsement from the insurer.

G. Notice of Material Change, Cancellation or Nonrenewal

Each certificate and related policy shall contain a valid provision requiring notification to the Certificate Holder in the event any of the required policies be canceled or non-renewed or reduction in coverage before the expiration date thereof.

1. Such notice shall reference the DEN assigned contract number related to this Agreement.
2. Said notice shall be sent thirty (30) days prior to such cancellation or non-renewal or reduction in coverage unless due to non-payment of premiums for which notice shall be sent ten (10) days prior.
3. If such written notice is unavailable from the insurer or afforded as outlined above, Airline shall provide written notice of cancellation, non-renewal and any reduction in coverage to the Certificate Holder within three (3) business days of receiving such notice by its insurer(s) and include documentation of the formal notice received from its insurer's as verification.

H. Additional Provisions

1. Deductibles are the sole responsibility of the Airline.
2. Defense costs shall be in addition to the limits of liability. If this provision is unavailable that limitation must be evidenced on the Certificate of Insurance.
3. A severability of interests or separation of insureds provision (no insured vs. insured exclusion) is included.
4. A provision that coverage is primary and non-contributory with other coverage or self-insurance maintained by the City, excluding Professional Liability and Workers' Compensation policies, if required.
5. Coverage limits purchased by Airline greater than the minimum amounts required under this Agreement must be referenced on any provided certificate of insurance.
6. All policies shall be written on an occurrence form. If an occurrence form is unavailable, claims-made coverage may be accepted by the City provided the retroactive date is on or before the Agreement Effective Date or the first date when any goods or services were provided to the City, whichever is earlier, and continuous coverage will be maintained or an extended discovery period of three years beginning at the time work under this Agreement is completed or the Agreement is terminated, whichever is later.
7. Airline shall advise the City in the event any general aggregate or other aggregate limits are reduced below the required per occurrence limits. At their own expense, and where such general aggregate or other aggregate limits have been reduced below the required per occurrence limit, the Airline will procure such per occurrence limits and furnish a new certificate of insurance showing

such coverage is in force.

8. Certificates of Insurance must specify the issuing companies, policy numbers and policy periods for each required form of coverage. The certificates for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf and must be submitted to the City at the time Airline signed this Agreement.
9. The insurance shall be underwritten by an insurer licensed or authorized to do business in the State of Colorado and rated by A.M. Best Company as A- VIII or better.
10. Certificate of Insurance and Related Endorsements: The City's acceptance of a certificate of insurance or other proof of insurance that does not comply with all insurance requirements set forth in this Agreement shall not act as a waiver of Airline's breach of this Agreement or of any of the City's rights or remedies under this Agreement. The City's acceptance of any submitted insurance certificate is subject to the approval of DEN Risk Management. All coverage requirements specified in the certificate shall be enforced unless waived or otherwise modified in writing by DEN Risk Management. Airline is solely responsible for ensuring all formal policy endorsements are issued by their insurers to support the requirements herein.
11. The City shall have the right to verify or confirm, at any time, all coverage, information or representations, and the insured and its insurance providers shall promptly and fully cooperate in any such audit the City may elect to undertake.
12. No material changes, modifications or interlineations to insurance coverage shall be allowed without the review and approval of DEN Risk Management.

EXHIBIT E**DENVER INTERNATIONAL AIRPORT
SUMMARY OF OPERATION AND MAINTENANCE RESPONSIBILITIES**

	Demised Premises	Common Areas	Public Areas	Airfield
Core Shell Building*	C			
Building Exteriors	C	-	-	C
Overhead Doors	A	-	-	
Landscaping	A	-	C (5)	C
Roadways	-	-	C	C
Fire Protection System/Equipment	C**	C	C	-
Law Enforcement, Fire Protection, Emergency Medical Services	C	C	C	C
Plumbing	C (1,2)	C	-	C
Electrical and Lighting	C (1,2)	C	C (4)	C
HVAC	C (1)	C	-	-
Glass Breakage	C (1)	C	-	C
Communications Systems	C (1)	C (1)	C (1)	C
Custodial Service/Window Cleaning Trash Removal	A	A	C (5)	C
Signage	A	-	C (1,4)	C
Snow Removal	A (3)	A (3)	C (4)	C

Key: A = Airline C = City

- 1 Airline is responsible for maintenance, repair and replacement of Airline-installed devices and equipment.
- 2 Airline is responsible for routine maintenance, including clearing clogs to the main, relamping.
- 3 Airline is responsible for cleaning and snow removal on aircraft parking ramp (from building to VSR), including emergency stairs on outside of building and building entrances.
- 4 Public Areas are the public roadways, city-managed parking lots, outside entrance to Satellite Badging Office.
- 5 Airline is responsible for keeping trash picked up in leased area and landscaped areas around paved lots clear of trash and debris.

*City is responsible for the building structure, including exterior and supporting walls, base floor, roof structure and roof.

** City is responsible for maintaining building sprinkler system and fire alarm system. If airline constructs areas requiring additional fire protection equipment, Airline is responsible for constructing and maintaining the system according to building and fire code requirements. Airline is responsible for providing and maintaining fire extinguishers.

If Airline fails to perform its maintenance and repair obligations as stated in this Agreement, the City may perform the work after thirty day written notice and recover its entire cost from Airline as additional rent on the next rent date.

DENVER INTERNATIONAL AIRPORT
AIRLINE RATE-MAKING METHODOLOGY

General Rate-Making Concepts

The City will use a "compensatory" methodology to establish Terminal Complex rental rates. The Airlines will pay the fully allocated cost of the space that they lease in the Landside Terminal building and airside concourses.

Landing fees will be established according to a "cost center residual cost" methodology, under which the airlines will pay the costs of the Airfield, after first deducting airfield revenues from other sources (primarily general aviation landing fees and fuel flowage fees).

Rate-Making Procedures at the Airport

At the Airport, the City intends to use cost accounting concepts and rate-making procedures as described in the following sections.

Cost Centers Direct (revenue-producing) cost centers include the following:

Terminal Complex--All levels of space in the Landside Terminal and airside Concourses A, B, and C, including the pedestrian bridge to Concourse A, public escalators, elevators and moving walkways.

Commuter and Regional Jet Facilities – All levels of space in facilities in the Terminal Complex airside Concourses A and C primarily used for commuter and regional jet operations. The Commuter and Regional Jet Facilities cost center excludes the Concourse B Commuter Facility which is allocated to the Concourse B Tenant Finish cost center as outlined in the Stipulated Order dated November

21, 2003. Any additional commuter facilities on Concourse B will be allocated to the Commuter and Regional Jet Facilities. Sub-cost centers will be established for each respective facility. Commuter and Regional Jet ramp areas are assessed separately.

Airline Tenant Finishes and Equipment--Airline space finishes and equipment in the Terminal Complex, ticketing facilities, loading bridges, communications equipment, baggage and flight information display systems, and baggage sortation systems which shall include related equipment and space within Concourses A and B (and additional concourses as such sortation systems are operational), and approved modifications to the Automated Baggage system and Space. Sub-cost centers will be established for the Landside Terminal, International Facilities, each airside concourse and each airline as applicable.

Interline Bag Transfer Area – All space in the Landside Terminal used by airlines for interline baggage transfer operations.

Common Use Terminal Equipment All costs associated with the installation and maintenance of the City's common use terminal equipment. The airline is responsible for its proprietary equipment.

Concourse Joint Use Facilities--All space and related equipment in Concourses A, B, and C for tug space (parking, drives, and circulation) and common use facilities, (including, but not limited to, pre-conditioned air facilities, triturators, etc.). The apron level on Concourse C shall be included in the Concourse C tug circulation space (excluding the space occupied by the baggage carousels on the Concourse C Apron).

Baggage Claim--All baggage claim space and equipment in the Landside Terminal including carousels, input conveyors and related inbound baggage handling space in the Landside Terminal.

Automated Baggage System and Space--The inbound and outbound automated DCV baggage systems (AABS and UABS), including their equipment and related space (excluding the Tunnel space allocated to the AGTS and Tunnel cost center) in the Landside Terminal and in the Tunnel from the Landside Terminal to the Concourses, separately serving Concourse A (the "AABS") and separately serving Concourse B (the "UABS"), including the costs of the maintenance space, control room equipment and related control room space, (excluding the costs of baggage sortation system equipment and space in the concourses and the costs of approved modifications to the automated systems which are included in the baggage sortation for each concourse).

Conventional Baggage System--The outbound conveyor baggage system and equipment, including all costs of baggage equipment, and construction costs to accommodate the Conventional Baggage System and related operations, Landside Terminal tug spaces (parking, drives and circulation), porter warming shelters, and odd size lift space in the Landside Terminal, Baggage Sortation space in the Landside Terminal, related maintenance space and the Baggage Sortation Space in the parking structure used for the Conventional Baggage System.

AGTS and Tunnels--The Automatic Guideway Transit System ("AGTS"), including vehicles and equipment, the AGTS tunnels and the baggage and tug tunnels between the Landside Terminal and the airside concourses and tunnel modifications for tug and cart operations.

International Facilities--International gates on Concourse A and related holdrooms, sterile circulation space, ramp areas, operations space, international

baggage recheck belt space and equipment, and the FIS area in the Landside Terminal, and the international portion of the connector to Concourse A.

Concourse Ramp Area--The aircraft parking aprons and pushback zones located adjacent to the airside concourses.

Airfield Area--The runway and taxiway system, deicing and related facilities, undeveloped acreage, and 50% of the costs incurred to develop the North Cargo Site prior to February 28, 1995.

Public Parking Area--All space allocated for public parking in the parking structure and all other public parking lots (excluding the cost of the parking structure space allocated to the Conventional Baggage System in the Conventional Baggage System cost center in the event the average number of cars in the Parking Structure exceeds 12,000 for 22 consecutive days).

Employee Parking Area--The employee parking lot(s).

Fueling System--The fuel storage and distribution system, including hydrant fueling pits at the aircraft parking aprons.

Commercial Vehicle Facilities--The surface parking area and building to be used for staging commercial vehicles and the dedicated commercial roadways serving the Terminal Complex. Commercial vehicles include but not limited to hotel/motel courtesy vans, taxis and limousines.

Rental Car Facilities--Areas and roadways provided for rental car operations (excluding the Terminal Complex).

Cargo Area--The joint use air cargo facilities (including apron, building, ground service equipment, and truck parking areas) and other areas provided for air cargo carriers and freight forwarders. Sub-cost centers will be established for cargo building, cargo apron, cargo tenant finishes, and cargo ground service equipment areas.

Airline Maintenance and Support Area--Areas provided for airline maintenance facilities, cargo facilities, ground service equipment facilities and inflight kitchens.

Airport Mail Facility--Areas provided for the Airport mail facility.

Future Concourses--Costs related to all levels of space and associated apron areas of any airside concourses in addition to Concourses A, B, and C shall be allocated to new cost centers to be established.

Future Baggage Systems – Costs related to all levels of space and equipment for future baggage systems.

Indirect (nonrevenue-producing) cost centers are to include, but not limited to:

Access, Terminal, and Service Roadways--Peña Boulevard, other secondary access roads, the terminal area roadways, the terminal curbsides, the perimeter circulation roadway, and other secondary internal roadways.

Airport Maintenance--Airport maintenance facilities and indirect (unallocated) maintenance expenses.

Airport Administration--Airport administrative facilities and administrative expenses.

Aircraft Rescue and Fire Fighting (ARFF)--The rapid response stations, structural fire station(s) and ARFF operating expenses.

Certain Cost Center Allocations

The net requirement of the Terminal Complex will be recovered through rental rates. Net Terminal Complex requirements will be divided by total Rentable Space in the Terminal Complex to determine the average rental rate per square foot of rentable space. For purposes of calculating the average Terminal Complex rental rate, Rentable Space shall be the sum of (a) 65% of approximately 99,000 square feet of Concourse B Basement Space on Concourse B, and (b) 100% of all other airline and nonairline Rentable Space in the Terminal Complex. Concourse B Basement Space shall be defined as exclusive use space on Concourse B located in the basement below the apron level. Concourse B Basement Space shall not include Baggage Sortation Space, Automated Baggage System Space, or Concourse Joint Use Facility space. The rental rate per square foot charged for 99,000 square feet of Basement Space on Concourse B will be equal to 65% of the average Terminal Complex rental rate. The rental rate for all other airline space shall be equal to 100% of the average Terminal Complex rental rate. Space costs associated with baggage claim, Automated Baggage System and Space, International Facilities, and baggage sortation space on Concourse B shall be determined using the average Terminal Complex rental rate.

The net requirement of Commuter and Regional Jet Facilities shall be computed independently for each airside concourse. The requirement of each concourse Commuter and Regional Jet Facilities shall include all allocated Airport Costs. The requirement of each concourse Commuter and Regional Jet Facilities will be recovered through separate fees assessed based on the City's estimate of full utilization of the respective facility and allocated based on landed weight.

Charges for the Interline Bag Transfer Area will be assessed among airlines based on their respective linear feet of baggage shelving area in the Interline Baggage Transfer Area as a percent of total linear baggage shelving area.

The requirement for the Common Use Terminal Equipment (CUTE) will be recovered through a fee assessed to airlines utilizing the system. The CUTE fee will be assessed based on the City's estimate of full utilization of the equipment and allocated based on landed weight.

The net requirement of the Concourse Ramp Area will be recovered through separate ramp fees assessed on a per-lineal-foot basis measured two hundred and fifty (250) feet from the exterior walls of each concourse. Commuter and regional aircraft ramp fees will be calculated based on a 50% of the sum of the per-lineal-foot measurement of the respective ramp area.

The net requirement of the Airfield Area will be recovered through landing fees assessed on the basis of the total landed weight of all aircraft using the Airport.

International fees will be assessed as follows to recover costs allocable to the International Facilities cost center. A fee will be assessed per deplaned international passenger for the FIS area and a separate fee will be assessed per enplaned and deplaned passenger for the gate-use fee. The City will record the shortfall of revenues each year as a payment-in-aid and will keep a cumulative account of this shortfall. If revenues exceed expenses in any given year the cumulative payment-in-aid will be reduced.

Fueling system charges will be distributed 10% equally and 90% on a gallonage basis among airlines to recover all of the costs associated with the fueling system.

Charges for the AGTS and Tunnels will be assessed among airlines on the basis of their respective (a) originating and destination passengers at the Airport for domestic flights

and (b) originating passengers at the Airport for international flights for the preceding three-month period.

Baggage Claim space will be costed at the average rental rate in the Terminal Complex. This amount will be added to the Baggage Claim cost center costs. Charges for the Baggage Claim cost center will be allocated among airlines on the basis of their respective deplaned domestic destination passengers for the preceding three-month period until outbound bag tracking information is available when charges will be allocated based upon the respective number of outbound bags including odd-size bags.

Landside Terminal space allocated to the Conventional Baggage System will be costed at the average rental rate of the Terminal Complex. The cost of this space shall be allocated to airlines based on Airline rented square footage in the Landside Terminal. Space in the Public Parking Area will be costed at the average cost per square foot of the Parking Structure, and, when applicable, will be added to the Conventional Baggage System cost center. Charges for the Conventional Baggage System cost center, including equipment, construction costs and related Baggage Sortation Space in the Landside Terminal, and related Public Parking Area space will be allocated to a sub-cost center for each of the modules presently developed in the Landside Terminal and Parking Structure (additional modules will be added when developed). The costs of each module shall be charged to the airline(s) leasing or using those facilities. In the event the Conventional Baggage System equipment and/or space is jointly used by two or more airlines, such costs will be allocated among such airlines on the basis of their proportional number of carousels in the module exclusively used by each airline to the total number of carousels in their module. Furthermore, if a carousel is jointly used by two or more airlines, the costs allocated to such carousel will be further allocated to each carrier using the carousel based on their proportional share of originating passengers.

The cost of the Parking Structure and Baggage Sortation Space in the Landside Terminal will be allocated to each module based on the square footage of that module used for the

Conventional Baggage System. However, the airlines will not be charged for such costs until the average number of cars in the Parking Structure exceeds 12,000 for 22 consecutive days.

The cost of Concourse Joint Use Facilities shall be determined on the basis of the average Terminal Complex rate. The cost of the Joint Use Facilities in each concourse shall be separately allocated based on Airline rentable square footage within the respective concourse and charged to the respective airlines using the facilities in each concourse based on their proportional share of rented square footage to the total airline rentable square footage. Airline rentable space used to allocate the cost of Concourse Joint Use Facilities on Concourse C shall include approximately 83,855 square feet of undeveloped space on that concourse. If the approximately 83,855 square feet of undeveloped space on Concourse C, or any portion thereof, is leased by an airline, the leased portion shall be reclassified as airline rentable and the remainder of the approximately 83,855 square feet shall remain a part of the airline rentable space used to allocate the cost of Concourse Joint Use Facilities on Concourse C.

The space associated with the Automated Baggage System and Space in the Terminal Complex will be costed at the average rental rate of the Terminal Complex. This amount will be added to the equipment costs of the Automated Baggage System and Space and allocated 65% to UABS serving Concourse B and 35% to AABS serving Concourse A and assessed among the airlines on each respective concourse on the basis of their respective originating and destination passengers on each concourse for the preceding three-month period. Debt service on Bonds issued to construct the Airport originally, amortization charges, and variable rate bond fees included in the 35% of costs allocable to the AABS shall be reduced by PFC revenues, which shall be allocated to the AABS. The PFC revenue allocated to the AABS will be adjusted from time to time by the City and the City will use its best efforts to achieve a 12% premium in the weighted average effective rate per square foot on Concourse A in comparison to the weighted average effective rate on Concourse C. The methodology to calculate the weighted average

10:18
Revised Exhibit F
Effective January 1, 2015

effective rate per square foot on each concourse is described below. The amount of PFC revenue allocated to the AABS shall not exceed the portion of the Automated Baggage System and Space that is eligible to be funded with PFC revenues under the Record of Decision. The Record of Decision states that Baggage Systems are 47.22% eligible.

The weighted average effective rate per square foot for each concourse shall be equal to the sum of: (a) the average Terminal Complex rental rate, (b) the average tenant finish and equipment rate per square foot applicable to each concourse, (c) the cost of Concourse Joint Use Facilities divided by airline rentable space on each concourse, (d) baggage sortation equipment charges divided by total airline rented space on each concourse, and (e) Automated Baggage System and Space charges divided by total airline rented space on each concourse. For purposes of calculating the weighted average effective rate per square foot, Concourse A total airline rented space shall be 91,760 square feet.

Airline Tenant Finish and Equipment costs, excluding the costs of the baggage sortation equipment and approved modifications to the Automated Baggage System and Space to provide for the automated system on Concourses A and B, shall be allocated to the applicable sub-costs centers and then divided by total airline rentable space in that cost center to determine the average tenant finish rate per square foot. The cost of Baggage Sortation Space located on concourses shall be determined using the average Terminal Complex rental rate and allocated based on airline rentable space located on each respective concourse.

The costs of the Concourse A baggage sortation system equipment and approved modifications, so long as such equipment is not being leased or utilized, shall be allocated exclusively to the airlines operating on Concourse A on the basis of their respective passenger enplanements on Concourse A. One-half of Concourse A baggage sortation equipment is located on the east side of Concourse A and one-half of said equipment is located on the west side of Concourse A.

If an airline or airlines lease or utilize all of the baggage sortation system equipment on Concourse A, or a portion of said equipment on both the east and west sides of Concourse A, the costs of such equipment shall be allocated exclusively to such airline or airlines leasing or utilizing all the equipment on the basis of their respective Concourse A passenger enplanements. To the extent all of the Concourse A baggage sortation equipment is leased or utilized by an airline or airlines, all other airlines operating on Concourse A will not be responsible for costs associated with the Concourse A baggage sortation equipment.

If an airline or airlines lease or utilize all or any portion of the Concourse A baggage sortation system equipment at only one of the two locations, 50% of the cost of the Concourse A baggage sortation system equipment shall be allocated exclusively to such airline or airlines on the basis of their respective passenger enplanements on Concourse A. Costs of the Concourse A baggage sortation system equipment not being leased or utilized by an airline or airlines shall continue to be allocated to all airlines operating on Concourse A on the basis of their respective passenger enplanements on Concourse A.

The costs of the Concourse B baggage sortation system equipment and approved modifications shall be allocated exclusively to the airlines operating on Concourse B on the basis of their respective passenger enplanements on Concourse B. The costs of the Concourse C baggage sortation system equipment as of February 28, 1995 shall be allocated to the Concourse B sortation system equipment until such equipment is otherwise utilized or leased by other airlines.

In the event an automated baggage system is constructed for Concourse C or for any additional airside concourse, the costs related to such baggage system(s), equipment and space shall be allocated to Concourse C, or the new concourse as applicable, and charged exclusively to the airlines operating on such concourse.

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Revised Exhibit F
Effective January 1, 2015

In the event a Future Baggage System is constructed for any concourse or concourses, the costs related to such baggage system(s), equipment and space shall be charged to the airlines operating on such concourse(s) as the City and airlines may reasonably allocate. Costs associated with the planning and design, excluding construction documents, for the Future Baggage System will be allocated to the Terminal Complex Cost Center.

Costs associated with undeveloped acreage will be allocated to the Airfield Area until the land is developed. Costs and revenues associated with developed acreage will be allocated to the applicable cost center.

Not more than forty percent (40%) of the costs (debt service and operating and maintenance expenses) associated with the Access and Terminal Roadways shall be allocated to the Terminal Complex.

Costs associated with the Service Roadways shall be allocated back to the direct cost centers based primarily on which cost centers benefit from such Service Roadways.

Not more than eighty percent (80%) of the costs associated with Aircraft Rescue and Fire Fighting shall be allocated to the Airfield Area cost center.

Costs associated with the Airport Administration cost center will be allocated based on a 50/50 revenue/direct expense formula: fifty percent (50%) on the percentage distribution of operating revenue by cost center and the remaining fifty percent (50%) allocated on the percentage distribution of direct Operation and Maintenance Expenses by cost center.

Undeveloped space shall include space in which no buildout has occurred.

Rentable Space shall mean space leased pursuant to an agreement or on a per use basis, or typically available for lease in the Terminal Complex except for: (i) mechanical and electrical space, (ii) public spaces including restrooms, circulation spaces, stairwells,

stairways, escalators, elevators, public lounges and public queuing space, (iii) Undeveloped Space, (iv) approximately 83,855 square feet of space in the basement of Concourse C until such space is leased or utilized, (v) the space in level 3 of the Landside Terminal interior to the tug circulation rights-of-way not otherwise leased or used, (vi) approximately 108,000 square feet of baggage sortation space on Concourse A, (vii) baggage sortation space in the Landside Terminal, unless the average number of cars in the parking structure exceeds 12,000 for 22 consecutive days, (viii) approximately 105,100 square feet of Concourse B baggage sortation space, (ix) space in the Administration Office Building and (x) space for security checkpoint areas and areas for explosive detection systems and explosive trace detection. The City shall determine what constitutes the various types of space and associated square footage in this paragraph and shall have the right, from time to time, to revise the categories of space and the square footage of each category.

If the 108,000 square feet of former baggage sortation Concourse A space is leased, the space will not be included in the calculation of airline rates and charges and, specifically, the calculation of the average Terminal Complex rental rate. The annual rental rate per square foot charged for Concourse A baggage sortation space shall be equal to 50% of the average Terminal Complex rental rate in that year.

Baggage Sortation Space includes all areas where out-bound baggage is sorted for delivery to departing aircraft.

Airport Costs

Airport Costs (also referred to as "requirements") include without limitation:

- (1) Operation and Maintenance Expenses.

- (2) Deposits to the Operation and Maintenance Reserve Account of the General Bond Ordinance
- (3) Debt service including variable rate bond fees on Bonds issued for Airport and any other amounts required under the General Bond Ordinance except debt service paid by PFC revenues.
- (4) Debt service including variable rate bond fees on Bonds used for Airport land acquisition.
- (5) Equipment and capital outlays
- (6) Amortization of 50% of the City's Airport expenditures incurred prior to January 1, 1990, from Capital Fund and Operating Fund moneys used for (a) pre-1990 planning and administrative costs, (b) Airport land acquisition, (c) Airport project costs, and (d) debt service including variable bond fees, on Bonds used for Airport land acquisition.
- (7) Amortization of all investments made for the New Airport project from other than Bonds or grants after January 1, 1990 and prior to February 28, 1995.
- (8) Amortization of the City's investment in the Airport Coverage Account to be accumulated prior to February 28, 1995.
- (9) For the purposes of items (6), (7), and (8) above, amortization charges are to be calculated over 15 years at the weighted average effective interest cost on all Airport fixed-rate Bonds as originally issued prior to January 1, 1997. Except and only to the extent, if any, that the rights of the owners of its airport revenue bonds (including, without limitation, the rights arising from the rate maintenance covenant) are not thereby materially impaired, the City will cause, by January 1,

1997 (or as soon thereafter as possible consistent with the City's aforesaid obligations to owners of its airport revenue bonds), amortization of the net unamortized balance of City's investments in items (6), (7) and (8) above on a straight-line basis for the balance of the period through March 1, 2025.

- (10) Amortization of reimbursements made to United Airlines related to costs for modifications to the United Airlines automated DCV baggage system, not to exceed \$45 million, from other than bonds shall be calculated on a straight line basis over 30 years, effective as of the date of any such reimbursement, at the weighted average effective interest rate of all Airport fixed-rate bonds prior to January 1, 1997.
- (11) Amortization of the City's investments from the Capital Fund, subsequent to February 28, 1995, shall be amortized at the average rate of the Airport fixed-rate bonds over 15 years or the life of the asset, whichever is shorter, and charged to the Airlines.
- (12) All airline bad debt will be allocated to the airfield cost center.
- (13) Notwithstanding anything to the contrary in paragraphs (9) and (11) above, amortization charges shall be calculated and charged to the Airlines as follows:
 - (a) Amortization on Existing City Investments. From and after January 1, 2015, the unamortized amount of all City investments from the Capital Fund made prior to January 1, 2015 that are charged to Airlines will be amortized at an interest rate of 4.5%.
 - (b) Amortization on Future City Investments. From and after January 1, 2015, the City will amortize any City investments from the Capital Fund made on or after January 1, 2015 that are charged to Airlines based on the life for each project, as reasonably determined by the City up to the economic life of the project, and

calculated using an interest rate set to equal the average ali-in cost of Airport debt sold by the City during the calendar year when such project is put in service or, if no Airport debt was sold, set to equal comparable published average borrowing costs.

PFC Revenues

PFC Revenues will not be treated as Gross Revenues for the purpose of establishing airline rates, fees and charges. For rate-making purposes, PFC revenues shall be allocated to the extent available, to at least fifty percent (50%) of the capital costs and/or debt service associated with the following eligible projects in the following order of priority: (1) facilities for the Federal Inspection Services, (2) the portion of Pena Boulevard from an interchange with E-470 to the Terminal Complex and terminal area roads, (3) the AGTS and Tunnels. That portion of the capital costs or debt service paid for by PFC revenues will not be included in the calculation of the airline rate base.

Airport "Credits"

Interest income - Interest income on the Bond Reserve Fund (provided that the minimum Bond Reserve Requirement has been funded) and on the Interest and Principal Accounts of the Bond Fund that are Gross Revenues shall be credited to the cost centers of the Airport in the same proportion as the debt service allocation.

Other credits - To the extent the City receives revenues for the use and lease of all, or any part, of the 108,000 square feet of undeveloped Concourse A baggage sortation space, such revenues will be allocated to the cost centers of the Airport in the same proportion as debt service on Bonds issued for the Original Airport Project.

Airline Revenue Credit - The City shall establish accounts within the Capital Fund as illustrated in Figure 1. Net Revenues of the Airport System, as defined in the General Bond Ordinance, flowing to the Capital Fund each year are to be used to replenish reserve funds or accounts as required in the General Bond Ordinance and the Coverage Account and to fund the Equipment and Capital Outlay Account for equipment and capital outlays included in the operating budget. Remaining Net Revenues are to be allocated as follows: (a) 75% from March 1, 2000 through February 28, 2006 and 50% thereafter, up to a maximum of \$40 million to flow into the Airline Revenue Credit Account to be applied as a credit against Signatory Airlines rates and charges in the following fiscal years and (b) the balance to flow into the Capital Improvement Account.

The City shall maintain a Coverage Account and fund that account up to an amount equal to twenty-five percent (25%) of Debt Service Requirements on Bonds issued to finance the Airport, improvements at the Airport and land acquired for the Airport. Bonds shall not include Special Facilities Bonds and other Bonds to finance support facilities such as cargo, maintenance and food preparation facilities). The Coverage Account shall be considered as Other Available Funds (as defined in the General Bond Ordinance) for the purpose of meeting the Rate Maintenance Covenant of the General Bond Ordinance.

Reduction of airline rates and charges

The City will reduce all airline rates and charges by \$4 million per year from 2004 through 2010. The sources available to the City for the rates and charges cost reductions include, but are not limited to: \$1.50 PFC revenues, the City's share of revenue credit, and annual debt service interest savings from refunding outstanding airport revenue bonds.

The rates and charges cost reductions outlined above shall cease if (i) there is an insufficient annual deposit to the Capital Improvement Account to make the annual \$1.5 million payment to Stapleton Development Corporation, (ii) the City is unable to meet its annual irrevocable commitment to pay debt with PFC revenues under the Bond

Ordinance, or (iii) regulatory or other legal action precludes payment of these rates and charges cost reductions (cost reductions will be deferred during the pendency of any such actions, and reinstated and extended as necessary upon a successful conclusion to such action to ensure that all airlines receive the full benefit of these reductions).

The City's rates and charges cost reduction contribution shall be reduced if Airport management (i) determines in good faith that there is a deficiency in any of the required Airport fund balances, (ii) receives an official written communication from any rating agency that a downgrade of the Airport's existing credit rating is likely unless a reduction to the City's rates and charges cost reduction contribution is made, or (iii) determines in good faith that operating cash balances are insufficient and contributions would jeopardize the ongoing operation of the airport.

Miscellaneous

All defined terms used herein shall be consistent and subordinate to the defined terms in the General Bond Ordinance.

Concourse A Baggage Sortation Space

The City redeemed Airport project Bonds equal to the principal outstanding associated with approximately 108,000 square feet of Concourse A baggage sortation space.

Debt service costs associated with Bonds issued by the City to redeem the Bonds associated with the 108,000 square feet of Concourse A baggage sortation space shall be allocated to the cost centers of the Airport in the same proportion as debt service on Bonds issued for the Original Airport Project.